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# Interstate Department Stores, Inc.

ANNUAL REPORT 1928

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NEW YORK, N. Y.

MARCH 1, 1929



# INTERSTATE DEPARTMENT STORES, Inc.

*New York, N. Y.,  
March 1, 1929.*

GENTLEMEN:

We are pleased to submit herewith the profit and loss statement and balance sheet of this company for the year 1928, from which it is apparent that the business has had another successful year and finds itself in an excellent financial position. In analysing these reports, your management is pleased to point out the following features:

1. INCREASE IN SALES AND EARNINGS: The sales of your company for 1928 show an increase of \$3,604,633.12, equalling 20.1% over those of 1927. Earnings increased \$262,237.09, equalling 27%, and the net earnings applicable to common stock (after deduction of dividends required on the preferred stock outstanding December 31, 1928) amounts to \$4.81 per share.

2. DIVIDENDS: The Board of Directors have just voted to pay a dividend of \$2.00 a year on the common stock, the first quarterly dividend of \$.50 to be paid on April 1, 1929, to stockholders of record, as at the close of business on March 15, 1929. It will be observed that in providing for this dividend, the company makes substantial allowance for cash that may be required for further expansion, in line with the company's policies.

3. INCREASED EARNINGS FOR THE CURRENT YEAR: During the year 1928 the company acquired additional stores in Springfield, Massachusetts; York, Pennsylvania; Evansville, Indiana, and Davenport, Iowa, and larger quarters in Flint, Michigan, which units have now been in operation for several months. From present indications, not only as a result of the opening of new stores (which did not contribute to earnings last year because of large organization and opening expenses), but also by reason of the increases effected in many of the original units, the management anticipates that the company will show a substantial increase in its sales and earnings during the current year. With its present organization capable of carrying out a substantial expansion program, your management deems further progress highly desirable, and at the present time has several additional locations in contemplation for such expansion.

We will appreciate your attendance at the annual meeting of stockholders to be held March 15, 1929, at two o'clock P. M. In the event that you cannot attend, please sign and return the enclosed proxy.

Very truly yours,

INTERSTATE DEPARTMENT STORES, INC.

By LEO G. FEDERMAN, *President.*



# INTERSTATE DEPARTMENT STORES, Inc. AND SUBSIDIARY COMPANIES

*Consolidated Balance Sheet as at December 31, 1928*

CURRENT ASSETS		ASSETS	
Cash on Hand, in Banks, and on Call.....		\$ 841,249.31	
U. S. Liberty Bonds—at Cost.....		165,370.94	
Accounts Receivable, Leased Depts., C.O.D.'s, Etc. ....		244,264.70	
Due from Accounts Payable.....		76,807.94	
Employees' Loans Receivable.....		18,201.22	
Due from Officers.....		90,019.84	
Merchandise Inventories—At Cost or Market value, whichever be lower, pricings and quantities vouched for by officials in charge..		3,920,338.64	\$5,356,252.59
CAPITAL ASSETS			
Land and Building.....	\$300,000.00		
Leaseholds .....	67,500.00		
Improvements to Leased Premises.....	225,259.77		
Furniture and Fixtures.....	803,741.79	1,396,501.56	
Less: Reserves for Depreciation and Amortization..		273,937.32	1,122,564.24
SUNDRY INVESTMENTS—At Cost.....			6,230.93
DEFERRED ASSETS			
Prepaid Insurance, Rent, etc.....			82,144.00
TOTAL ASSETS.....			<u>\$6,567,191.76</u>
LIABILITIES, CAPITAL AND SURPLUS			
LIABILITIES			
Accounts Payable, Accrued Wages, Expenses and State and County Taxes .....	\$ 286,302.70		
Reserve for Federal Taxes.....	171,650.62		
Minority Stockholders' Equity.....	8,552.82		
Preferred Stock Dividend—Payable Feb. 1, 1929.....	56,875.00		
TOTAL LIABILITIES.....			\$ 523,381.14
CAPITAL AND SURPLUS			
PREFERRED STOCK—7% CUMULATIVE—\$100.00 Par Value			
Authorized and Outstanding.....	\$3,250,000.00		
COMMON STOCK—No par value			
*Authorized 240,000 shares, Outstanding 208,791 shares ....	1,043,955.00		
SURPLUS PAID IN			
Balance—January 1, 1928.....	\$ 500,936.62		
Surplus arising from sale of 8,791 shares Common Stock .....	243,224.89	744,161.51	
SURPLUS EARNED			
Profits for Year 1928.....	1,233,194.11		
Less: Full Year's Preferred Dividends.....	227,500.00		
TOTAL EARNED SURPLUS.....		1,005,694.11	
TOTAL CAPITAL AND SURPLUS.....			6,043,810.62
TOTAL LIABILITIES, CAPITAL AND SURPLUS.....			<u>\$6,567,191.76</u>

\*28,095 shares of Common Stock reserved to meet warrants carried by Preferred Stock Outstanding.

## EARNINGS FOR YEAR ENDING DECEMBER 31, 1928

NET SALES.....	\$21,544,422.59
Cost of Sales, Operating Expenses, Depreciation (to amount of \$88,029.19), and Organization Expenses (to amount of \$39,811.21).....	20,139,384.04
Net Income—Before Federal Taxes.....	\$ 1,405,038.55
Provision for Federal Taxes.....	171,844.44
Net Income—Year Ending December 31, 1928.....	\$ 1,233,194.11
Deduct Provision for full year's dividend requirements on Preferred Stock.....	227,500.00
Net Income—Credited to Earned Surplus.....	<u>\$ 1,005,694.11</u>

*We have audited the books and accounts of the Interstate Department Stores, Inc., together with its Subsidiary Companies for the year ending December 31, 1928, and we certify that the above Balance Sheet and Summary of Earnings are in agreement with the books, and in our opinion the above Balance Sheet presents a true consolidated statement of the financial condition of the Interstate Department Stores, Inc., and its Subsidiary Companies as at December 31, 1928.*

New York, Feb. 21, 1929.

GOLDBERG, JACOBSON & COMPANY,  
Certified Public Accountants.

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INTERNATIONAL DEPARTMENT STORES, INC.

NEW YORK, N. Y.

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